

WEEKLY MARKET REPORT

Week Ending 10th December, 2021
AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S23/21	This Week M23/21	Last Sale S22/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2444	2437	2413	+31	1826	+618
18	2044	2058	2021	+23	1554	+490
19	1677	1676	1660	+17	1382	+295
20	1381	1389	1372	+9	1240	+141
21	1323n	1322	1317	+6	1178n	+145
26	758n	759	744n	+14	723n	+35
28	412n	425	408n	+4	480n	-68
MC	889n	916n	874n	+15	740n	+149

MARKET CONSOLIDATES FOURTH WEEK IN A ROW!!

Presale showfloor talk was right on the money as the predictions of a slightly dearer market were spot on. For parts of the week the FRX couldn't hold above 70 cents hitting its lowest point for some time (69.80) to add some impetus to the market but by week's end it had settled at 71.35 cents. The 4th weekly rise in a row saw the AWEX EMI add 14 cents to its value to 1360 - its highest level since late October. In US\$ terms the market gained 6 cents to 971. Most focus for fleece types was concentrated on sub 18.5 micron which gained 25 to 30 cents with coarser types 5 to 15 cents to the good. Skirtings added 10 to 20 cents for types <3% VM with all others fully firm. Cardings added 10 to 30 cents across the board depending on type and VM as the 3 centres averaged a 12 cent lift. Crossbreds also benefitted from the dearer prices as gains ranged from 5 to 30 cents (up to 7%). The pass-in rate fell to 7% as growers accepted these new levels.

Confidence and price acceptance finally look to be in sync as the past 4 series has produced good gains (EMI up by 40 cents). This without the wild price fluctuations that seem to happen when the mad scramble for wool sends the market climbing by 50 to 80 cents in a day or week. As we have seen, the inevitable correction occurs and confidence is eroded with the erratic nature of the market making buyers hesitant and non committal when purchasing wool. Although it may seem painfully slower, a market that can creep up like it has recently is a far better proposition for mills to buy with confidence. All participants down the processing pipeline to the retailers can be profitable and the consumer demand is good then further orders will be placed.

The weaker A\$ against the greenback was the trigger for more enquiry to send the market into positive territory as the 2% swing in the FRX made wool in US\$ very attractive. When the A\$ falls the market is generally cheaper in US\$ terms but was dearer this series demonstrating a much more aggressive tone as the market trended up in all currencies. Buyers need some quantity to be on the water for February processing as most pre Chinese New Year deliveries had been made and are on their way. China's 1st stage manufactures were keen to secure volume with our largest trader leading the way with European mills and Indian processors gunning for the finer better specified types. Next week sees the last sale before the 3 week Xmas recess with predictions of solid market to finish the year.

Southern Aurora Fwd Prices

Micron	Date	Low
21	Jan. 22	1300

Main Buyers (this week)

1	Techwool Trading	5641	2	Tianyu Wool	4130	3	Endeavour Wool	3237
4	Fox & Lillie	2657	5	PJ Morris Wool	2135	6	Michell Wool	2023

Eastern Market Indicators (AUD cents/kg clean)
1360 cents ↑ 14 cents compared with 03/12/2021

Northern Market Indicators (AUD cents/kg clean)
1440 cents ↑ 14 cents compared with 03/12/2021

AUD/USD Currency Exchange
0.7139 ↓ 0.0029 compared with 03/12/2021